

## Message Text

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17

ACTION AF-06

INFO OCT-01 ISO-00 EB-07 /014 W  
----- 122331

R 030825Z MAR 75  
FM AMEMBASSY DAR ES SALAAM  
TO USDOC WASHDC  
INFO SECSTATE WASHDC 7560  
AMEMBASSY NAIROBI  
AMCONSUL ZANZIBAR  
ARUSHA (POUCH)

UNCLAS DAR ES SALAAM 0620

E.O. 11652: N/A

TAGS: BTIO, BFOL, TZ

SUBJ: INVESTMENT OPPORTUNITY: RICE, SOY BEAN AND CORN  
PROJECT

REF: A. USDOC 3127

B. DAR ES SALAAM 4015, DECEMBER 9, 1974

1. DISCUSSED REFTEL WITH NATIONAL AGRICULTURAL AND FOOD CORPORATION (NAFCO) AND IT WILL BE DELIGHTED TO REVIEW POSSIBLE AGRICULTURAL PROJECTS WITH US AGRIBUSINESS FIRM SHOULD IT INCLUDE TANZANIA ON AFRICA TOUR.

2. RE STATUS OF PROJECTS. SITUATION, AS MODIFIED BELOW, BASICALLY THE SAME AS DESCRIBED IN REF B. NAFCO HAS EXPANDED IO TO INCLUDE 18,000 AND 20,000 ACRE FARMS TO GROW SOY BEANS. FARMS NEAR NACHINGWEA (APPROX 100 MILES WEST OF MTWARA) AND ARE ALREADY GROWING LIMITED ACREAGES OF SOY BEANS. IN RESPONSE TO INITIAL INQUIRY FROM US AGRIBUSINESS FIRM, NAFCO HAS INDICATED IT WILL TO CONSIDER EXPORT-CROP PROJECTS AND PACKAGE WHERE IT WILL TAKE MINORITY EQUITY POSITION (LATTER POINT, IN RESPECT TO INVESTMENT IN AGRIC SECTOR, IS NEW DEPARTURE IN BASIC TANGOV IS NAFCO'S APPRECIATION THAT IN ORDER TO MAKE INVESTMENT IN TANZANIA MORE ATTRACTIVE TO OVERSEAS INVESTORS, PROJECT SHOULD HAVE EXPORT ORIENTATION.

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3. FYI: ONE US COMPANY HAS PUT FORWARD PROPOSAL TO DO FEASA-

BILITY STUDY FOR RICE PROJECT IN KILOMBERO VALLEY. BASIC AGREE-  
MENT HAS BEEN REACHED AND ARRANGEMENTS ARE BEING WORKED OUT TO  
BRING TEAMS INTO TANZANIA IN MAY (ABOUT TIME ROADS HAVE DRIED  
FOLLOWING SPRING RAINS) TO CARRY OUT STUDY. US COMPANY, AFTER  
MAKING PROPOSAL, WAS VERY IMPRESSED AT SPEED WITH WHICH NAFCO  
AND ITS SUPPORTING MINISTRY ACTED ON MATTER. ANOTHER US COMPANY  
INDICATES THAT IT WILL HAVE REP IN TANZANIA SECOND HALF MARCH  
TO INVESTIGATE IO.

4. APPRECIATE RECEIVING DATE WHEN AGRIBUSINESS COMPANY PLANS  
TO BE IN TANZANIA. IF IT (OR ANY OTHER US COMPANY WISHING TO  
LOOK AT THIS IO) HAS INTEREST IN TOURING UP-COUNTRY SITES TO GET  
FEEL OF COUNTRY, THEY SHOULD BUDGET FOLLOWING MINIMUM TIME  
FRAMES (SUBJECT TO FREQUENCY OF AIRLINE SCHEDULES WITHIN  
TANZANIA) TO MAKE FIELD TRIP OUTSIDE OF DAR ES SALAAM:

RICE: TWO DAYS  
SOY BEANS: THREE DAYS  
CORN: FOUR DAYS

5. ABOVE ALL, AS DAR ES SALAAM IS FAR REMOVED FROM AGRICULTURAL  
CENTERS, WE WOULD RECOMMEND VISITING US AGRINVESTOR MAKING STOP-  
OVER IN ARUSHA (WHICH CAN BE MADE AT MODEST EXTRA COST IF  
TRAVELLING FROM NAIROBI TO DAR). IN ARUSHA VISITOR CAN BEST  
GAIN QUICKLY FEELING FOR LARGE SCALE-FARMING OPERATIONS IN  
TANZANIA AND INVESTMENT CLIMATE. WE CAN ARRANGE APPOINTMENTS  
(EVEN OVER WEEKEND) WITH:

(A) TANGANYIKA FARMERS ASSOCIATION SENIOR MANAGMENT. ANY LARGE-  
SCALE AGRICULTURAL OPERATION IN TANZANIA FINDS TFA INVALUABLE  
AND WELL-OPERATED SOURCE OF INPUTS.

(B) GENERAL TIRE TO DISCUSS ITS EXPERIENCE AS LEADING US INVESTOR  
IN TANZANIA WITH EXPERIENCED FARMERS WITH LARGE ACREAGE UNDER  
MECHANIZED CULTIVATION.

(C) APPOINTMENTS WITH ONE PERHAPS TWO CALL CAN BE ARRANGED  
ONVETERAN (IF VISITOR WISHES TO HIRE CAR FOR SIDE TRIP,  
WEST KILIMANJARO FARMER WHO PLANS TO STAY ON IN TANZANIA,  
AFTER HMG/NAFCO BUYS OUT HIS FARM, TO MANAGE THREE NAFCO  
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FARMING UNITS).

6. IF VISITORS WISH TO HAVE EMBASSY MAKE ARUSHA APPOINTMENTS  
(PARA 5) OR MAKE FIELD TRIPS (PARA 4) WE WOULD APPRECIATE  
RECEIVING DATES OF TANZANIA VISIT ASAP.  
CARTER

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